

**Application No.: 09/888,336****Atty Docket: BLFR 1004-1****REMARKS**

In response to the restriction requirement dated 16 September 2005, Applicants have elected **Group II** with traverse. They have withdrawn the claims of **Group I** (claims 1-35 and 67-70, directed to a method of simulating projecting open to buy inventory values by calculating open to buy values from the inventory budgets and the aggregated simulated projected future inventory and reporting this open to buy value and **Group III** (claims 64-66, drawn to a method for calculating lost sales for a group of items due to inadequacies in the simulated projected future inventory).

The election with traverse leaves for prosecution on the merits, the claims of Group II (claims 36-63, directed to a method of prorating inventory budgets among items and reporting a comparison of the prorated budgets and simulated projected future inventory), as shown herein.

Proposed amendments are indicated with the withdrawn claims, in case the restriction requirement is modified.

**INTERVIEW SUMMARY**

On October 5, 2005, a face-to-face interview was conducted. We discussed the meaning of open-to-buy analysis and the meaning of simulating, as opposed to projecting. Because the interview was pre-examination, no references were discussed and no amendments were approved.

We mentioned the possibility of amending the claims to use "simulating" instead of "projecting."

**TRAVERSAL OF RESTRICTION**

In this section, we review the new rules regarding restriction and then show how searches required for claims 36 and 39 encompass all of the elements to be searched for independent claims 1 and 64.

The new revision of the MPEP, published August 2005, is much clearer on the limits on an Examiner's discretion to impose restriction requirements than the prior MPEP. In particular, § 803 *et seq.* set standards that the Examiner may not be aware of, as she has not referenced them.

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**802.01 Meaning of "Independent" and "Distinct" [R-3]****II. < DISTINCT**

**\*\*>**Two or more inventions are related (i.e., not independent) if they are disclosed as connected in at least one of design (e.g., structure or method of manufacture), operation (e.g., function or method of use), or effect. Examples of related inventions include< combination and part (subcombination) thereof, process and apparatus for its practice, process and product made, etc. **\*\*>**In< this definition the term related is used as an alternative for dependent in referring to **\*>**inventions< other than independent **\*>**inventions<.

>Related inventions are distinct if the inventions as claimed are not connected in at least one of design, operation, or effect (e.g., can be made by, or used in, a materially different process) and wherein at **least one invention is PATENTABLE** (novel and nonobvious) **OVER THE OTHER** (though they may each be unpatentable over the prior art). See MPEP § 806.05(c) (**combination and subcombination**) and § 806.05(j) (related products or related processes) for examples of when a **two-way test is required for distinctness**.<

**803 Restriction — When Proper [R-3]**

Under the statute>, the claims of< an application may properly be required to be restricted to one of two or more claimed inventions only if they are able to support separate patents and they are either independent (MPEP § **\*\*>**802.01, § 806.06, and § 808.01<) or distinct (MPEP § 806.05 - § **\*>**806.05(j)<). If the search and examination of **\*\*>**all the claims in an< application can be made **without serious burden**, the examiner **must** examine **\*>**them< on the merits, even though **\*\*>**they include< claims to independent or distinct inventions. >

**I. < CRITERIA FOR RESTRICTION BETWEEN PATENTABLY DISTINCT INVENTIONS**

There are two criteria for a proper requirement for restriction between patentably distinct inventions:

- (A) The inventions must be independent (see MPEP § 802.01, § **\*>**806.06<, § 808.01) or distinct as claimed (see MPEP § 806.05 - § **\*>**806.05(j)<); and
- (B) There **\*>**would< be a **serious burden** on the examiner if restriction is >not< required (see MPEP § 803.02, **\*\*>**§ 808<, and § 808.02).

\* \* \*

For purposes of the initial requirement, a **serious burden** on the examiner may be *prima facie* shown **\*\*** by appropriate explanation of separate classification, or separate status in the art, or a different field of search as defined in MPEP § 808.02. That *prima facie* showing may be **rebutted by**

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**appropriate showings** or evidence by the applicant. Insofar as the criteria for restriction practice relating to Markush-type claims is concerned, the criteria is set forth in MPEP § 803.02. Insofar as the criteria for restriction or election practice relating to claims to genus-species, see MPEP § 806.04 - § 806.04(i) and § 808.01(a).

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**806.05(c) Criteria of Distinctness \* Between Combination \* and Subcombination \*\* [R-3]**

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To support a requirement for restriction between combination and subcombination inventions, **both two-way distinctness and reasons for insisting on restriction** are necessary, i.e., there would be a **serious search burden** as evidenced by separate classification, status, or field of search. See MPEP § 808.02.

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**I. SUBCOMBINATION ESSENTIAL TO COMBINATION**

***AB<sub>sp</sub>/B<sub>sp</sub> No Restriction***

Where a combination as claimed sets forth the details of the subcombination as separately claimed, **there is no evidence that combination AB<sub>sp</sub> is patentable without the details of B<sub>sp</sub>. The inventions are not distinct and a requirement for restriction must not be made or maintained, even if the subcombination has separate utility.** This situation can be diagrammed as combination AB<sub>sp</sub> ("sp" is an abbreviation for "specific"), and subcombination B<sub>sp</sub>. Thus the specific characteristics required by the subcombination claim B<sub>sp</sub> are also required by the combination claim.

(the "\*\*\*" notations are from the MPEP text; the "\* \* \*" notations are added to indicate omitted sections). The final section, "subcombination essential to combination" is added in this revision and of particular interest in this response.

The Examiner has not shown either two way distinctness or a serious burden of searching. There is no two way distinctness, because all of the elements of claim 1 are found in claim 36 and all of the elements of claim 64 are found in claim 37, which depends from claim 36. As the Examiner has not made any assertion of two-way distinctness, the restriction requirement does not satisfy the applicable provisions of the MPEP. It would not be proper to enter a final restriction requirement at this time.

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There is no serious burden to examining claim 1 at the same time as claim 36 or to examining claim 64 at the same time as claim 37. Some observations apply to both pairings: First, there are only three independent claims in this case. That does not present a serious burden, as the revised fee schedules allow three independent claims as a matter of course for a single filing fee. Second, there are a total of five closely related applications assigned to this Examiner that present overlapping issues with which the Examiner already is familiar. In the related cases, the Examiner has repeatedly applied the same two references, TSI and Landvater, without any need to search, much less any serious search burden. If all of this Examiner's restriction requirements were adopted, the Examiner would get about 25 counts for applying the same reference to divisionals of five related cases. (In one of the cases, the restriction requirement followed two office actions on the merits, applying different references. The search was completed twice for all claims before any restriction requirement was imposed.) Third, the proposed restriction requirement asks for full credit for examining just three claims, 64-66.

Comparing claims 1 and 36, the setting inventory budgets and reporting open-to-buy elements of claim 1 undisputedly need to be searched for claim 36. The simulating future sales element of claim 1 is part of the simulating future inventory (after sales) element of claim 36. The aggregating simulated future inventory element of claim 1 is addressed by the reporting budgets for items or aggregations element of claim 36. This demonstrates that all elements of claim 1 will need to be searched in order to examine claim 36.

Comparing claims 64 and 37, an element of claim 64 that is not part of claim 1 is calculating lost sales due to inadequacies in the simulated future inventory – typically out of stock conditions, no inventory on the shelf to sell. Claim 37, which depends from claim 36, adds to claim 36 limitations related to lead time constraints. The lead time constraints element of claim 64 needs to be searched in the course of examining claim 37, which expressly calls for calculating lost sales due to inadequate inventory. Thus, searching claim 37 covers all of the elements of claim 64.

Examining the elected claims 36-63 plainly requires searching of all of the elements included in the remaining independent claims 1 and 64. Because the elements are being searched for the elected group, there is no serious burden to

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searching for the other two groups. Under the revised MPEP, examination of all three groups should proceed together.

**AMENDMENTS DESCRIBED**

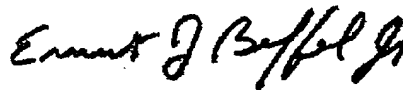
Applicants have amended the claims to substitute "simulating" for "projecting". The Examiner's background in Operations Research should make it easy to appreciate the specificity of simulating. In some claims, "demand" has been substituted for "sales", as demand is projected and sales are simulated, taking into account the projected demand.

**CONCLUSION**

Applicants respectfully submit that the pending claims are now in condition for allowance and thereby solicit acceptance of the claims, in light of these amendments.

The undersigned can ordinarily be reached at his office at (650) 712-0340 from 8:30 a.m. to 5:30 p.m. PST, Monday through Friday, and can be reached at his cell phone at (415) 902-6112 most other times.

Respectfully submitted,



Dated: 17 January 2006

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